

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE	§	
	§	
512 E. 11TH St., LLC,	§	
	§	
Debtor	§	
BIG BRAND MANAGEMENT,	§	
LTD., CO., and 512 E. 11TH ST.,	§	
LLC,	§	
	§	
v.	§	CIVIL NO. 4:24-264-SDJ
	§	
NEWTEK SMALL BUSINESS	§	
FINANCE, LLC, NEWTEK	§	
BUSINESS LENDING, LLC,	§	
NEWTEK CONVENTIONAL	§	
LENDING, LLC, ARNALDO	§	
FEBLES, SCOTT SHULMAN,	§	
AUSTIN BRIGGS, DANIEL PAZ,	§	
DANIEL F. WILLIAMS, and DAN	§	
ESBAUGH	§	

**ORDER ADOPTING REPORT AND RECOMMENDATION ON
AGREED MOTION TO WITHDRAW REFERENCE**

Before the Court are a motion and report and recommendation concerning an adversary proceeding pending in the United States Bankruptcy Court for the Eastern District of Texas before Chief Judge Brenda Rhoades under cause number 23-4050 (the “Adversary Proceeding”), which is related to an underlying bankruptcy proceeding under cause number 23-41108, also pending before Chief Judge Rhoades.

The Plaintiffs in the Adversary Proceeding are the Debtor, 512 E. 11th St., LLC, and non-debtor parent of 512 E. 11th St., LLC, Big Brand Management Ltd., Co. Defendants in the Adversary Proceeding are Newtek Small Business Finance, LLC (“NSBF”), Newtek Business Lending, LLC, Newtek Conventional Lending, LLC, Arnaldo Febles, Scott Shulman, Austin Briggs, Daniel Paz, Daniel F. Williams, and Dan Eshbaugh. The Plaintiffs and Defendants in the Adversary Proceeding submitted an agreed joint motion to Chief Judge Rhoades seeking entry of an order under 28 U.S.C. § 157(d) for the withdrawal of the reference of both (1) the Adversary Proceeding, and (2) the Debtor’s pending objections in its bankruptcy case to the proofs of claim filed by NSBF. *See* (Dkt. #1) (referenced herein as the “Agreed Motion to Withdraw Reference”).


After considering the motion, Chief Judge Rhoades entered her Report and Recommendation on Agreed Motion to Withdraw Reference (the “Report”). (Dkt. #2). In the Report, Chief Judge Rhoades recommended that this Court withdraw the reference of the debtor’s objections to NSBF’s claims (Claim Nos. 5-9), as well as the Adversary Proceeding, and further recommended that the dispute proceed to trial before this Court. *See* (Dkt #2). No party has objected to the Report. The Report notes that, if the reference is withdrawn, this Court may leave the proceedings before the Bankruptcy Judge for pretrial matters.

Having reviewed the Report and with no objections filed, the Court concludes that the Bankruptcy Judge’s findings and conclusions in the Report are correct.

Accordingly, the Court adopts the Bankruptcy Judge's Report as the findings and conclusions of the Court.

It is, therefore, **ORDERED** that the Agreed Motion to Withdraw the Reference, (Dkt. #1), is **GRANTED**. The reference of the Debtor's objections to NSBF's claims (Claim Nos. 5-9), as well as the Adversary Proceeding are **WITHDRAWN**, and the dispute will proceed to trial before this Court. It is further **ORDERED** that all pre-trial proceedings are referred to the Bankruptcy Judge.

So ORDERED and SIGNED this 9th day of September, 2024.


SEAN D. JORDAN
UNITED STATES DISTRICT JUDGE